

HOUSE BILL 1112

By Powell

AN ACT to amend Tennessee Code Annotated, Section 21-1-205 and Title 67, Chapter 5, relative to delinquent property taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-1801, is amended by deleting subsection (a) in its entirety and substituting instead the following:

(a) The county trustee shall act as collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes. A municipality that certifies its delinquent tax list to the trustee or the delinquent tax attorney selected pursuant to § 67-5-2404(a)(1), is deemed to have authorized, without further action of the municipality, county officers to do all things authorized under parts 18-28 of this chapter with respect to the collection of delinquent municipal taxes, including the ability to convey any and all interests of the municipality in the property sold, until such time as the municipality's legislative body determines otherwise and causes a document evidencing the determination to be recorded in the office of the register of deeds. This subsection (a) is procedural and remedial in its application and is made applicable retroactively to the extent allowed by law.

SECTION 2. Tennessee Code Annotated, Section 67-5-1903, is amended by deleting the word "taxpayers" from the first sentence of subdivision (a)(1) and substituting instead the word "taxes" and by adding the following new subsection:

(e) The report referred to in this section must not include delinquent taxes that have been delivered by the trustee to the delinquent tax attorney for the filing of court actions to collect the taxes.

SECTION 3. Tennessee Code Annotated, Section 67-5-2404, is amended by adding the following new subsection:

(e) The maximum compensation provisions in this section and §§ 67-5-2410, 67-5-2501, and 67-5-2506 shall not be applicable to nor limit fees or expenses authorized by the court to be paid to the delinquent tax attorney pursuant to §§ 67-5-2404(d), 67-5-2410(d), 67-5-2502(c)(2), 67-5-2701(l), and 67-5-2702(g) or any other law. This subsection (e) is intended to be procedural and remedial in its application and is made applicable retroactively to the extent allowed by law.

SECTION 4. Tennessee Code Annotated, Section 67-5-2502(c)(2), is amended by deleting the subdivision and substituting instead the following:

(2) The delinquent tax attorney shall make a reasonable search of the public records in the offices of the assessor of property, trustee, the register of deeds, and the local office where wills are recorded, seeking to identify and locate all interested persons as to each parcel listed on the county and municipal delinquent tax lists filed in the cause. The court shall set a reasonable attorney's fee per parcel, as defined in subdivision (c)(1), per year of delinquent taxes owed and per taxing entity, for the services required by this subsection (c), which shall become an additional expense of the proceeding and shall be secured by the first lien in favor of the tax entity pursuant to § 67-5-2101. The fee shall be charged to each pending parcel listed on the county and municipal delinquent tax lists filed in the tax proceeding and each parcel subsequently turned over for collection in a tax proceeding.

SECTION 5. Tennessee Code Annotated, Section 67-5-2503(b), is amended by deleting the language "not taking actual possession of the property" from the second sentence of the subsection and substituting instead the language "not making an advance demand for rents or profits".

SECTION 6. Tennessee Code Annotated, Section 67-5-2506(b)(1), is amended by deleting the subdivision and substituting instead the following:

(1) When any parcel is sold for payment of delinquent taxes, it shall be sold pursuant to this chapter. This subdivision (b)(1) is procedural and remedial in its application and is made applicable retroactively to the extent allowed by law.

SECTION 7. Tennessee Code Annotated, Section 67-5-2701(a)(1), is amended by deleting the subdivision and substituting instead the following:

(A) Upon entry of an order confirming a sale of a parcel, a right to redeem shall vest in all interested persons. The right to redeem shall be exercised within the time period established by this subsection (a) beginning on the date of the entry of the order confirming the sale, but in no event shall the right to redeem be exercised more than one (1) year from that date. The redemption period of each parcel shall be determined by the court prior to the tax sale of the parcel and may also be stated in the order confirming the sale.

(B) Unless the court finds sufficient evidence to order a reduced redemption period pursuant to this section, the redemption period for each parcel shall be one (1) year.

(C) The redemption period shall be determined for each parcel based on the period of delinquency. Once the period of delinquency is established, the redemption period shall be set on the following scale:

(i) If the period of delinquency is five (5) years or less, the redemption period shall be one (1) year from the entry of the order confirming the sale;

(ii) If the period of delinquency is more than five (5) years but less than eight (8) years, the redemption period shall be one hundred eighty (180) days from the entry of the order confirming the sale; or

(iii) If the period of delinquency is eight (8) years or more, the redemption period shall be ninety (90) days from the entry of the order confirming the sale.

(D) For all property for which a showing is made pursuant to subdivision (a)(2), the redemption period shall be thirty (30) days from the entry of the order confirming the sale without regard to the number of years of delinquent taxes owed on the property, beyond that required to make the property legally eligible for the sale.

SECTION 8. Tennessee Code Annotated, Title 67, Chapter 5, Part 27, is amended by adding the following as a new section:

Section 21-1-205 is not applicable to property tax proceedings, tax liens, or the enforcement of such tax liens. This section is intended to be procedural and remedial in its application and is made applicable retroactively to the extent allowed by law.

SECTION 9. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end the provisions of this act shall be severable.

SECTION 10. This act shall take effect upon becoming a law, the public welfare requiring it.